3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

USDC SDNY	
DOCUMENT	
ELECTRONICAL	LY FILED
DOC #:	
DATE FILED: OC	T 2 2 2045

John A. Varley #262584 Financial Law Associates, APC 1011 Camino Del Rio South #330 San Diego CA 92108 Telephone: (619) 463-1800 Fax: (619) 463-1881

Attorney for Debtors

6

Q

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Defendants

10c17720(KBP)

UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA LOS ANGELES DIVISION

Case No: 2:13-BK-26725-BB In re: Chapter 7 Sean David Morton and Adv. No.: 2:13-ap-01927-BB Melissa Ann Thomson DEBTOR'S ANSWER TO COMPLAINT Debtors. United States Trustee For The Central District Date: November 12, 2013 Time: 2:00 PM of California, Region 16 Courtroom: Courtroom 1475 Plaintiff. Sean David Morton and Melissa Ann Thomson aka Melissa Morton,

NOW COMES Sean David Morton and Melissa Ann Thomson, ("Debtors") by and through their attorney of record John A. Varley, for their answer to United States Trustee's ("Plaintiff") adversary complaint state as follows:

 Answering Paragraph One of the Complaint, Debtors state the allegations contained therein are jurisdictional allegations which present legal conclusions and questions of law to be determined solely by the Court, to which no answer is required. Answering further, Debtors state they do not dispute that the Court has jurisdiction over this matter.

- 2. Answering Paragraph Two of the Complaint, Debtors state the allegations contained therein are jurisdictional allegations which present legal conclusions and questions of law to be determined solely by the Court, to which no answer is required. Answering further, Debtors state they do not dispute whether venue is proper in this matter.
- Answering Paragraph Three of the complaint, Debtors state the allegations contained therein
 presents legal conclusions and questions of law to be determined solely by the Court, to which
 no answer is required.
- Answering Paragraph Four of the Complaint, Debtors admit that the United States Trustee is the Plaintiff in this action.
- 5. Answering Paragraph Five of the Complaint, Debtors admit that their address at the time of filing was 2207 Hermosa Ave, Hermosa Beach, CA 90254. Debtor is without information or knowledge sufficient to form a belief as to the truth of the remaining allegations. Debtors are currently homeless, residing temporarily with friends in Hermosa Beach, California.
- Answering Paragraph Six of the Complaint, Debtors state the allegations contained therein are
 allegations as to standing which present legal conclusions and questions of law to be determined
 solely by the Court, to which no answer is required.
- 7. Debtor has no response or objection to Paragraph Seven.
- 8. Answering Paragraph Eight under General Allegations, Debtors admit that there have been continuations to their 341(a) Meeting of Creditors. Debtors deny the remainder of allegations contained herein. Answering further, it is the Debtors understanding that the Meeting of Creditors has been concluded. At the last hearing, on September 27, 2013 at 11:00AM, the Debtors were both in attendance with counsel and told there was to be no examination that day as the hearing was concluded. The US Trustee filed their complaint on September 11, 2013 so it is understandable that the Plaintiff would be unaware that the Meeting of Creditors would be concluded at the time that the Debtors response was served.
- Answering Paragraph Nine under General Allegations, Debtors admit that the deadline for filing a complaint was September 23, 2013.
- 10. Answering Paragraph Ten under General Allegations, Debtors admit that they are and have been represented by John A. Varley during the main bankruptcy case.
- 11. Answering Paragraph Eleven under General Allegations, Debtors admit the allegations contained therein in part in that the U.S. District Court for the Southern District of New York (SDNY)

-1-

-2-

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

27

28

- entered default judgments against the Debtors in the amounts specified in the complaint. Debtors deny the allegations that the Debtor bills himself as "America's Prophet," as this was a moniker bestowed upon him by radio talk show host Art Bell.
- 12. Answering Paragraph Twelve under General Allegations, Debtors admit the allegations contained therein.
- 13. Answering Paragraph Thirteen under General Allegations, Debtors deny the allegations contained therein. No paperwork was ever filed, nor did the Debtors seek any privileges or benefits from the government that the filing of a 501(c)(3) would have bestowed. Plaintiff alleges that such an entity exists presently and the Debtor denies this allegation. Further, Plaintiff has presented no evidence in their complaint for this or any of the other allegations.
- 14. Answering Paragraph Fourteen under General Allegations, Debtors admit the allegations contained therein.
- 15. Answering Paragraph Fifteen under General Allegations, Debtors admit that they did not disclose the SEC Judgment in the Statement of Financial Affairs but Debtors deny the allegation that they failed to list the SEC Judgment in their schedules. (See Exhibit 1 - which is an attached Schedule F and Amended Schedule F which is a conformed copy of the schedule per the court CM/ECF system, an self authenticating business record). The judgment had stated that jurisdiction for enforcing the judgment was to remain with the court. Accordingly, the Debtors were confused in thinking that by listing the court in Schedule F that they had listed the creditor. Debtor is amending schedule F to include the SEC as a separate and distinct creditor. (see Exhibit 2 - copy of the Judgment by the U.S. District Court for the Southern District of New York (SDNY).
- 16. Answering Paragraph Sixteen under General Allegations, Debtors admit that within six years immediately preceding the Petition Date the debtors individually, held interest in Heaven & Earth, LLC and PRI-Prophecy Research Institute Trust. Answering further, Debtors state that PRI-Prophecy Research Institute trust ceased operations in the Fall of 2008 and had no assets either then nor at the time of the filing of the bankruptcy case.

Heaven & Earth LLC has no assets or income and was used only to collect rent from tenants and manage a single rental property from which Debtors were evicted on September 5, 2013. Heaven & Earth LLC filed for bankruptcy in August 2013 as an effort to receive bankruptcy stay relief from the landlord so as enable negotiation of a settlement for continued occupation of the property.

Debtors deny all other allegations stated therein. Vaira Production LLC, 27 Investments LLC, and Magic Eightball Distribution, Inc. ceased operations in 2006. Neither debtor has ever owned a dog walking business. The owner of a dog walking business entitled Melissa Mutt Hut was owned by a woman names Melisa Clarkson who was Melissa Morton's former employer, (See Exhibit 3 - website www.gotmutt.com which is operated by Melissa Clarkson. Plaintiff Delphi Investment Group never existed as a company, an LLC or as any other entity. Therefore there was no need for the Debtors to disclose an entity which never exited on its schedules.

- 17. Answering Paragraph Seventeen under General Allegations, Debtors admit the allegations contained herein. Answering further, Debtors failure to list Heaven & Earth LLC and PRI-Prophecy Research Institute Trust was an oversight. Debtor believed PRI was inactive for over 6 years when it had only been approximately 5 years.
- 18. Answering Paragraph Eighteen under General Allegations, Debtors admit the allegations contained herein. Answering further, Debtors have since amended the Statement of Financial Affairs to include the two entities that were active within the past six years (Each have no market value). See Exhibit 4.
- 19. Answering Paragraph Nineteen under General Allegations, Debtors admit the allegations contained herein. These entities had zero value so the Debtors thought it was not an asset.
- 20. Answering Paragraph Twenty under general allegations, Debtors deny all the allegations contained herein. Debtors did not refuse to testify but did seek advice of counsel before answering. If the Plaintiff's position is that Debtors may not seek advice of counsel during questioning or it will be construed as a refusal to testify, Debtors object on grounds of violation of Attorney-Client Privilege and Right of Counsel.

AFFIRMATIVE DEFENSE

FIRST AFFIRMATIVE DEFENSE

(The Complaint Fails to State A Claim Upon Which Relief Can Be Granted)

As a first affirmative defense, Defendants allege the Complaint fails to state a claim upon which relief can be granted. The untrue and incomplete facts in the Complaint do not give rise to claims against Defendants.

SECOND AFFIRMATIVE DEFENSE

(Plaintiff Has Insufficient Evidence to Establish Its Case)

As a second affirmative defense, Defendant alleges Plaintiff does not have sufficient evidence to establish the required elements of the causes of actions in the Complaint. Plaintiff

24

25

26

27

28

meeting was concluded.

talk show host Art Bell.

25

28

will be unable to meet its burden of proof. There were no intentional misrepresentations, and

THIRD AFFIRMATIVE DEFENSE

(There Was No Intent To Defraud)

FOURTH AFFIRMATIVE DEFENSE

(Miscellaneous Defenses and Claims)

1. The entities that were not listed on Schedule B or Statement of Financial Affairs had no value

and there was no intentional misrepresentation by the Debtors to defraud creditors or the

2. The liabilities listed on Schedule F include the SEC judgments that the US Trustee contends

3. Wherefore, the Debtors pray that judgment be rendered in favor of the Debtors, for costs of

suit herein incurred, and for such other and further relief as this Court may deem proper.

were knowingly and fraudulently omitted from the schedules. The Debtors listed the debts as the Court in New York on Schedule F. Debtors believed that the judgment was satisfied by a

court. Debtors did not act to conceal assets of value that would prejudice creditors.

As a third affirmative defense, Defendants allege they had no intent to commit fraud.

As a fourth affirmative defense and response, Defendants allege the following:

bond so they listed the claim value as unknown.

Dated: October 15, 2013

there was no reliance by Plaintiff.

/s/ John A. Varley Attorney for Debtors

Melissa Thomson, Joint Debtor

1 2	John A. Varley #262584 Financial Law Associates APC 1011 Camino Del Rio South #330 San Diego CA 92108 Telephone: (619) 463-1800	
3	Fax: (619) 463-1881 Attorney for Debtors	
5		NKRUPTCY COURT
6		
		CT OF CALIFORNIA
7	LOS ANGEL	ES DIVISION
8 9	In re:	Case No: 2:13-BK-26725-BB
10	Sean David Morton and	Chapter 7
11	Melissa Ann Thomson	Adv. No.: 2:13-ap-01927-BB
12	Debtors.	DECLARATION OF DEBTOR SEAN DAVID MORTON
13	United States Trustee For The Central District	
14	of California, Region 16	Date: November 12, 2013 Time: 2:00 PM
15	Plaintiff,	Courtroom: Courtroom 1475
16	v.	
17	Sean David Morton and Melissa Ann Thomson	
18	aka Melissa Morton,	
19	Defendants	
20		_
21		ove -captioned main bankruptcy case and a defendant
22	in the above-captioned adversary proceeding, decis	
23	The joint debtor, Melissa Morton and I are Hermosa Beach California.	currently homeless and staying with friends in
	пенноза веаси Саціонна.	

2. At our last 341(a) Meeting of Creditor's held on September 27, 2013 at 11:00AM, Melissa

Morton and I were informed that there was no examination to be held that day because our

3. I do not bill myself as "America's Prophet". This was a moniker bestowed upon me by radio

- 4. I do not have a nonprofit religious organization, nor have I sought any privileges or benefits provided by the Government for a 501(c)(3).
- 5. The Joint Debtor and I listed the SEC Judgment in our Schedule F but not in our Statement of Financial Affairs. The Joint Debtor and did not realize that the SEC should have been listed as a separate and distinct creditor and have since amended our Schedule F. See Exhibit 1 (attached and incorporated by reference) a true and correct copy of the filed and the amended Schedule F with CM/ECF time stamp indicating the date and time Schedule F was filed.
- 6. The Joint Debtor and I believed that the SEC judgments to not be enforceable outside of New York. See Exhibit 2 (Attached and incorporated by reference) a true and correct copy of the Judgments by the U.S. District Court for the Southern District of New York.
- 7. Neither the Joint Debtor nor I have ever had interest in Delphi Investment Group aka Delphi Associates Investment Group. I have no knowledge as to whether such an entity even exists.
- 8. Vajra Productions, LLC, 27 Investments LLC, and Magic Eightball Distribution, Inc. all ceased operations in the year 2006.
- 9. Neither the Joint Dehtor nor I have ever had a sole proprietorship in a business called Melissa's Mutt Hut. Melissa Mutt Hutt is owned by a woman named Melissa Clarkson, who was the joint debtor's former employer. Their website is www.gotmutt.com. See Exhibit 3 (attached and incorporated by reference) the "contact" page of the Melissa's Mutt Hutt website.
- 10. The failure of joint debtor and I to list Heaven & Earth LLC and PRI-Prophecy Research Institute Trust in our schedule B was an oversight. I believed PRI was inactive for 6 years when it had been only approximately 5 years. The Joint Debtor and I have since amended our Statement of Financial Affairs and Schedule B to include the two entities which have been active within the past six years. Both entities have no market value. See Exhibit 4 (Attached and incorporated by reference) a true and correct copy of the Amended Schedule and Statement.
- 11. The Joint Debtor and I did not refuse to testify but did seek advice of counsel before answering.
- 12. Neither the Joint Debtor nor I acted to intentionally conceal assets as we both assumed assets were items with market value.
- 13. Neither the Joint Debtor nor I acted to defraud creditors or the Bankruptcy Court.

Dated: October 15, 2013

/s/ John A. Varley

Attorney for Debtors

EXHIBIT 1

UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA

Filer's Name: John & Verley Att 1011 Camino Del Rio South		_Atty N	ame (il aș	plicable):	Joh	John A. Verlay					
Street Address:	#330 San Diego, CA 92		CA Ba	r No. (it a	pplicable):	262	262584				
man to Think the bit		.104	-	•	applicable):		619-463-1681				
Filer's Telephone No.;	019-403-1000		Ally	ax ivo. (ii	approants.	015	70,5-100,1				
	David Morton a Ann Thomson		Case Chapt	No. 2:13-I er 7	ok-26725						
	AMENDED SC	HEDULE(S)	AND/	OR STA	rement(S	<u>)</u>					
A filling fee of \$30.00 is is also required as an at added? Yes 🔀	tiachment if credit										
Indicate below which so	:hedule(s) and/or	statement(s) i	s(are) b	eing ame	nded.						
A B 0	C D	E F	X	G□	н	П	٦				
Statement of Soc	ial Security Numb	er(s) 🗌		Stater	nent of Fina	ncial Aff	airs 🗌				
Statement of Inte	ntion 🗌			Other							
NOTE: IT IS THE RESI TRUSTEE AND TO NO COMPLETE AND FILE	TICE ALL CREDI	TORS LISTE	D IN TH	IE AMEN	DED SCHE	DULE(S	AND TO				
I/We, Seen Devid Mortor Schedule(s) and/or Sta- correct.											
DATED: October 15,	2013				"FOR COU	RT USE	ONLY**				
is/ Seen David Morton											
Seen David Morton Debtor Signature											
-											
/s/ Melissa Ann Thomson Melissa Ann Thomson	on										
Co-Debtor Signature		"SEE REVI	ERSE S	NDE**							
B-1008 Revised Nover	mber 2011										

PROOF OF SERVICE

	he additional creditors listed.	fment(s) was(were) mailed to the Trustee and that notice was given
DATED:	October 15, 2013	John A. Verley Print or Type Name
		/s/ John A. Varley Signature

(SEE ATTACHED MAILING LIST.)

B-1008 Revised November 2011

2:13-bk-26725

Case 2:13-bk-26725-BB		Desc
86P (Official Form 6F) (13/97)	Main Document Page 3 of 9	
Seen Cavid Morton		

Debtor(s)

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding unsecured claims without priority against the debtor, as of the date of filing of the perition. The complete account number of any account the debtor has with the creditor is useful to the trivate and the creditor and may be provided if the debtor chooses to do so. If a inflore child is a creditor, take the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 1.1 U.S.C. § 1.12 and Fed. R. Bank. P. 1007(m). Do not include claims tisted in Scheduler D and E. It all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a citatin, place an "X" in the column labeled "Codebrox," Include the entity on the appropriate schedule of creditors, and complete Schedule H. Codebtors. If a joint petidon is filled, state whether the husband, wife, both of them, or the maritid community may be liable on each claim by placing an "H." "W." "L" or "C" in the column labeled "Husband, Wife, located or Community."

If the claim is contingent, place on "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Onliquidated," If the claim is disputed, place on "X" in the column labeled "Disputed." (You may need to place on "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Scheduler and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Labellities and Related Data.

Check this box if debtor has no creditors holding secured claims to report on this Schedule F.

	T	i trest	sand, Wife, John . or Community				
CREDITOR'S NABE, MALLING ADDRESS INCLUDING 2219 (1971). AND ACCOUNT NUMBER (New Joseph Mont above)	10 0 1 1 10 H	c i M.	DATE CLAIM WAS DISTURBED AND CONSUBERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SELOIT, SO STATE	C O N I I N C & N I	せがたしながしわるでもの) 3 7 1 1 1 1 1 1	AMOUNT OF CLAIM
ACCIDENT NO. D2685539N1	\exists	Γ	Opened 5/22/12		Γ	Γ	
Ability Recovery Servi Po Box 4031 Wyoming, PA 18644		w	Collection Penn Foster				879.00
ACCOUNT NO	_		1995	T	1		
American Express c/o Biler & Cox 16130 Ventura Bivd Encino, CA 91436		С	Charge account				31,311.90
ACCOUNT NO. 7710	1		One and 50500 Lest Arthur	+	T		
Bank Of America Po Box 982235 El Paso, TX 79996		н	Opened 5/25/07 Last Active 4/02/10 Credit Card				4,241.00

Sheet 1 of 7 total sheets in Schedule of Creditors Holding Unsecured Nonpriority Claims

Setware Copyright to 1998-2009 CCH INCORPORATED - were brofesse com-

Meliasa Ann Thomson

35561

Best Cape Banksupto

Case 2:13-bk-26725-BB	Doc 37	Filed 10/15/1	3 Entered	10/15/13 17:01:11	Desc
RaF (William Passes &F) (1287) - Court.	Main [Document F	age 4 of 9		

Seen David Morton

Mellane Ann Thomson
Dehavis)

Case No. 2:13-bk-26725

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

		1 ksh	and Wife, Joint .co Community	Γ			
CREDITOR'S NAME, MAILING ADDRESS INCLUDING 2DF CODE, AND ACCOUNT NUMBER (See Instructions above)	CODENTOR	u w c	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM IF CLAIM IS STUDIET TO SELOFF, SO STATE	CONTLINGERT	ON L. CO CO A TEO	n 1	AMOUNT OF
ACCOUNT NO. 4888951260158289 Berclays Bunk Delaware 125 9 West St		w	Opened 5/13/09 Lest Active 12/08/10 Credit Card				
Wilmington, DE 19801					L	_	7,284.00
CA DMV PO Box 942659 Sacramento, CA 94269	4	С	2009 Registration penalties (on repossessed vehicle)				1,177.00
ACCOUNT NO. 529115767402 Cap One Po Box 85520 Richmond, VA 23285		w	Opened 5/18/01 Last Active 11/03/10 Credit Card				1,189.00
ACCOUNT NO. 17939119 Cavairy Portfolio Serv 500 Summit Lake Dr Velhalia, NY 10595		н	Opened 8/28/12 Collection Citibank				471.00
ACCOUNT NO. 14510677 Cavalry Partfolio Serv 500 Summit Lake Dr		н	Opened 4/22/11 Collection Habe Bank Nevada Orchard Bank				
Valhalis, NY 10595						L	1,120.00

Sheet 2 of 7 total sheets in Schedule of Creditors Holding Unsecured Nonpriority Claims Case 2:13-bk-26725-BB Doc 37 Filed 10/15/13 Entered 10/15/13 17:01:11 Desc Main Document Page 5 of 9

Seen David Morton

In re Malissa Ann Thomson

Case No 2:13-bk-25725

Debteris

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Communication Sheet)

		1 heart	and. Wife, John , or Community	T			
CREDITOR'S NAME, MAILAING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (free matter them subset 1)	C G D E N I O R	n W i C	DATE CLAIM WAS ENCHRED AND CONSIDERATION FOR CLAIM. B-CLAIM IS STUBLETTO SETOPF, SO STATE	T S S S S S S S S S S S S S S S S S S S	RELEGIEDATED	D L S P U L E E	AMOUNT OF CLAIM
ACCDENT NO 426584109011		_		Т			
Chese Po Box 15298 Wilmington, DE 19850		н	Opened 2/21/06 Last Active 7/12/10 Credit Card				7,951.00
ACCOUNT NO 426690203442	+	+	 	╁	╀	┝	
Chess Po Box 15298 Wilmington, DE 19850		w	Opened 8/08/09 Last Active 7/12/10 Credit Card				7,376.00
ACCOUNT NO. 455951500093		1		T	1	1	
Chese Po Box 15298 Wlimington, DE 19850		w	Opened 9/05/01 Last Active 7/12/10 Credit Card				4,912.00
ACCOUNT NO. 540168301961	+-	+	 	╅	+	+	
Chase Po Box 15298 Wilmington, DE 19850		н	Opened 3/23/06 Last Active 7/12/10 Credit Card				3,331.00
ACCOUNT NO 5175894		\top		T	T	T	
Collection Consultants 5100 San Farmando Rd Sta Giandale, CA 91201		С	Opened 5/20/10 Collection Little Com Of Mary-Torrance				
					1	1	817,00

Seen David Morton

lane Meliane Ann Thomson

Case No. 2:13-bk-26725

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Communion Sheet)

Debier(x)

	r	115	and Wile, Joint or Community			,	
CREDITOR'S NAME, MARLING ADDRESS INCLUSIONED FORD AND ACCOUNT NUMBER (See Instructions above)	C (2) 12 E H T (0) X	C. AA 33	DATE CLAIM WAS DECURED AND CONSIDERATION FOR (LAIM) B. CLAIM IS SUBJECT TO SELOPE, SOSTATE	CONTINGERT	けんし ひひしゅくしゅ	D 1 5 7 U 1 E D	AMOUNT OF CLAIM
ACCOUNT NO.				Т	۲		
Larry Fordiani c'o Dennis P. Block & Assoc 5437 Laurei Cenyon Bivd 2nd Fi Valley Village, CA 91607		С	2013 Past due rent				12,270.00
ACCOUNT NO. 1017577555	_	-		1-	\vdash	╁╌	
Mb Fin Svcs 38455 Corporate Dr Farmington Hills, Mi 4833 t		w	Opened 5/09/09 Last Active 11/11/10 Automobile				14,116.35
ACCOUNT NO. 5178052548241005	 	\vdash		1	†	<u> </u>	
Portfolio Recvry&Affil 120 Corporate Bivd Ste 1 Nerfolk, VA 23502		н	Opened 10/23/12 Factoring Company Account Capital One Bank Usa N.A.				1,232.00
ACCOUNT NO. 7061592000902954	1			\top	Т		
Portfolio Recvry&Affil 120 Corporate Blvd Ste 1 Norfolk, VA 23502		w	Opened 2/29/12 Factoring Company Account Ge Capital Retail Bank				884.00
ACCOUNT NO	\pm	+		+	+-	+	
Quest Diegnostics Americam Medical Collection 4 Wastchester Plaza Ste 110 Elimatord, NY 10523		С	Unknown Claim				
			L	L	L	L	1,700.00

Sheet 3 of 7 total sheets in Schedule of Creditors Holding Unsecured Nonpriority Claims

Best Case Barkmotor

Sheet 4 of 7 total sheets in Schedule of Creditors Holding Unsecured Nonpriority Claims Case 2:13-bk-26725-BB Doc 37 Filed 10/15/13 Entered 10/15/13 17:01:11 Desc Ref-(Official Form 6F) (12/97)-1-lank Document Page 7 of 9

Sean David Morton

ts re Meliasa Ann Thomson (Ichiuria)

Case No. 2:13-bk-26725

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

	Π	Ihrsh	and, Wife, I dat , or Community	I			
CREDITORES NAME, MAILING ADDRESS INCLUDING ZIPC CODE, AND ACCOUNT NUMBER Over Instructions where I	C O D E H I O R	H W f C	DATE CLAIM WAS (IN THREET AND) CONSIDERATION FOR CLAIM. B-CLAIM IS SOURCET TO SETOPE, SO SLATE	C 8 - 1 8 G E N -	H M L QU L D A T L D	5 7 11 1 10 10	AMOUNT OF CLAIM
ACCOUNT NO. 8977193			Opened 12/30/91 Last Active 5/08/98	T			
Rc Willey Home Furn 2301 S 300 W Selt Lake City, UT 64115		C	Charge Account				3,265,00
ACCOUNTING	+-	\vdash		╁	┞	┞	3,203.00
Redondo Beach Municipal FIA Card Services 117 W Torrance Blvd Redondo Beach, CA 90277		С	2010 Charge account				4,241.0
ACCOUNT NO	+		Unknown	1	T		
RMS Recovery Mgmt The Art Institute of Pitteburg 4200 Canters Dr Ste 211 Warrenville, N. 60555		С	Claim				2,625.7
ACCOUNT NO 10-CV-1720 (SDNY)	1		P-h-11-144 2042	1	T	T	
ADDED Securities and Exchange Commission 100 F. Street, NE Washington, DC 20549	The state of the s	С	Pebruary 11, 2013 Default judgment was for approximately \$11 Million but Debtars believe this was satisfied by a bond			×	UNKNOWN
ACCOUNT NO 662904606 Shell/Citi Po Box 6497 Sloux Fells, SD 57117		**	Opened 2/22/05 Last Active 8/10/10 Credit Card				
	1						416.0

Sheet 5 of 7 total sheets in Schedule of Creditors Holding Unsecured Nonpriority Claims

Best Case Barthruptcy

Case 2:13-bk-26725-BB Doc 37 Filed 10/15/13 Entered 10/15/13 17:01:11 Desc Main Document Page 8 of 9

Seen David Morton

Is re Meliasa Ann Thomson (Deblor(s)

Case No. 2:13-bk-26725

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Community Sheet)

	-				_		
CREDITOR'S NAME, MARLING ADDRESS INCLEDING SUPCODE, AND ACCOUNT NUMBER (her instructions above.)	D	Host W I E	and, Wife, John , or Commonly DATE, CLABM WAS PSCURRED AND CONSIDERATION FOR CLAIM. BY CLAIM IS STUDIET TO SETOPE, SO STATE.	COX1-CRELK:	UNLLOULDATED	0 1 5 7 1 1 1 1	AMBOLINT OF CLASM
ACCOUNT NO							
Spectrum Atheletic Clubs S H Recovery & Assoc 20832 Roscoe Bivd Ste 220A Winnetks, CA 91306		С	Unknown Claim				518.57
ACCOUNT NO	-	-		 	┢	+	
Synter Resource Group LLC PO Box 63247 North Charleston, SC 29419-3247		c	Unkn ow n Claim				62.35
ACCOUNT NO	 	╀╌		-	+-	╁	
The Home Depot/CBSD United Recovery Systems 5800 North Course Drive Houston, TX 77072		c	2005 Charge account				703.5
ACCOUNT NO	1	\vdash		T	+	1	
Turbo Tex 2510 Commerce Way Vista, CA 92081		C	Ctaim				74.96
ACCOUNT NO.	_	+		\vdash	+	+	
United States District Court Southern District of NY 500 Peerl St New York, NY 10007		С	Unknown Cleim				0.00
ACCOUNT NO	+	╁	 	╁	╀	+-	
United States District Court Eastern District of Washington 920 Wast Riverside Avanue Indio, CA 92201		c	Unknown Cleim				0.0

Sheet 6 of 7 total sheets in Schedule of Creditors Holding Unsecured Nonpriority Claims

Software Copyright (c) 1998-R09 CCH INCORPORATED - www.bestcase.com

Best Case Barkkupicy

Case 2:13-bk-26725-BB	Doc 37 Fil	led 10/15/13	Entered 10/	/15/13 17:01:11	Desc
84P (Official Point 4F) (1287) - Cont.	Main Doc	ument Pa	ge 9 of 9		
Seen David Morton					
In ic Molisse Ann Thomson			Case !	No 2:13-bk-2672	5

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Corxinuation Sheet)

		Elesal	sand. Wife, John , or Community	T-	T	Г	
CREDITOR'S NAME, MAILDAG ANDRESS INCLUDING AND CODE, AND ACCOUNT NUMBER (See Geomethern above)	C O D E II L D R	# ¥ , c	DATE CLAIM WAS ENCURRED AND CONSIDERATION FOR CLAIM. B-CLAIM IS SCUILCT TO SETUPE, SQ STATE	CONTENDENT	UNL QUIDALED	D 1 S P U 1 E D	AMOUNT OF CLAIM
ACCIDENT NO. 087798581				+	1	1	
Us Dept Of Ed/Gletal Po Box 7860 Madison, WI 53707		W	Opened 10/03/11 Educational				7,776.00
ACCOUNT NO		1		†			
US District Court of Vermont 11 Elmwood Ave Room 506 Burlington, VT 05401		С	Unknown Claim				0.00
			(Use only on last page of the comp	الا العاما		Tetal	11,655,326.54
			(Report also on Summary of Schedules and	d, if app	dicab		
			Summary of Centain Liabilities a				

Sheet 7 of 7 total sheets in Schedule of Coednors Holding Unsecured Nonpriority Claims

Software Copyright (c) 1996-2009 CCH INDORPORATED - www.bestcase.com

Best Coor Bankruptay

Case 2:13-bk-26725-BB	Doc 1	Filed 06/2	2//13	Entered 06/2//13 23:45:30	Desc
	Main D	ocument	Page	22 of 60	

BSF (Official Form 6F) (1207)

ln re	Sean David Morton,	Case No
	Melissa Ann Thomson	*
-	Debtors	-

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, making address, including zip code, and had four digits of any account number, of all entities holding assecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petures. The camples account number of any account the debtor has with the creditor in stafell to the trustee and the creditor in any be provised in the debtor choose to do so it a minor child in a creditor, such child's initials and the areas area indicates of the child's person or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not declose the child's person or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not declose the child's person or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not declose the child's name, See, 11 U.S.C. §112 and Fed. R. Banke, P. 1007(m). Do not include claims ileed in Schedules of creditors and complete Schedule of creditors, and complete schedule of complete schedules of creditors, and complete schedules of creditors, and contains a complete schedules of creditors, and contains a complete schedules of creditors, and contains a contains a contains a contains a contain a contains a con

Report the wast of all claims listed on this schedule in the box labeled "Testal" on the last sheet of the completed achedene. Report this total also on the Susonary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Oheck this box if debter has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME,	0	Hu	bend, Wife, Joint, or Cosmunity		ç	U	0	
MAJLING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	ODEST OR	# * * C	DATE CLAIM WAS INCURRED AN CONSIDERATION FOR CLAIM. IF CL IS SUBJECT TO SETOFF, SO STAT	AIM I	12.mg.z. 12.00	3200-04	MP.D.MD	AMOUNT OF CLAIM
Account No. D2685539N1			Opened 5/22/12		ř	ř		
Ability Resovery Servi Po Box 4031 Wyoming, PA 18644		w	Collection Penn Foster			Ö		878.00
Account No.	\vdash	H	1995		_	-	-	
American Express clo Blier & Cox 16130 Ventura Blvd Encino, CA 91436		С	Charge account					31,311.90
Ассиция №, 7710		-	Opened 5/25/07 Last Active 4/02/10 Credit Card		<u>.</u>	-		
Bank Of America Po Box 982235 El Paso, TX 79998		н						
	L				L	L	L	4,241.00
Account No. 4868951260158289 Barclays Bank Delaware 125 S West St Wilmington, DE 19801		w	Opened 5/13/09 Last Active 12/08/10 Credit Card					
		•				Ì	l	7,284.00
6 continuation sheets attached		_	(S Total of th		iot pa		43,714.90

BSF (Official Form SF) (12/97) - Cont.

Sean David Morton,

Melissa Ann Thomson

In re

Case No.

Debtors
SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

CREDITOR'S NAME,	Ìç	Hu	SCHOOL Wife Joint, or Community	\neg	C	U	P	
MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	BOTEROO		DATE OF ATLANCA DATE OF THE PARTY AND ADDRESS OF THE PARTY OF THE PART		ONTINGEN	21103-04	PUTLO	AMOUNT OF CLAIM
Account No.	Г	1	2009	\neg	ï	î		
CA DMV PO Box 942859 Sacramento, CA 94269		С	Registration penalties (on repossessed vehicle)			FO		
Account No. 529115767402	L	┞	Opened 5/18/01 Last Active 11/03/10	+	4	_	_	1,177.00
700000 No. 323113701402	l		Credit Card	- 1	-			
Cap One Po Box 85520 Richmond, VA 23285		w		-				
	L	L						1,189.00
Account No. 14610677	1	1	Opened 4/22/11	-1	-]		1	
Cavairy Portiolio Serv 500 Summit Lake Dr Valhalia, NY 10595		н	Collection Hebe Bank Neveds Orchard Ban					1.120.00
Account No. 17939119	╀	┝	Opened 8/28/12	\dashv	4	_	-	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Cavalry Portfolio Serv 500 Summit Lake Dr Valhalle, NY 10595		H	Collection Citibank					471.00
Account No. 426684109011	t	+	Opened 2/21/06 Last Active 7/12/10	\dashv	-	H	\vdash	
Chase Po Box 15298 Wilmington, DE 19850		н	Credit Card					7,951.00
Sheet no. 1 of 6 sheets attached to Schedule of	1_	-			ılı.	L	<u>.</u>	
Creditors Holding Unsecured Nonpriority Claims			(Total					11,908.00

Case 2:13-bk-26725-BB	Doc 1 Filed 06/2//13	Entered 06/27/13 23:45:30 Desc	2
B6F (Official Form 6F) (12/87) - Cont.	Main Document Pag	e 24 of 60	,

Sean David Morton, Melissa Ann Thomson

Case No._

Debtors
SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

CREDITOR'S NAME,	Ç	He	schand, Wife. June or Conveniently	T c	U	1	1	
MAILING ADDRESS INCLUDING ZP CODE AND ACCOUNT NUMBER (See instructions above.)	DO-ERECO.	2870		ON NOWNE	2.00.0	1		AMOUNT OF CLAIN
Account No. 426690203442	1		Opened 8/08/09 Last Active 7/12/10	1	AT E	1	ŀ	
Chase Po Box 15298 Wilmington, DE 19888		w	Credit Card		0	1	_	7,376.00
Account No. 455951500093	╀	H	Opened 9/05/01 Last Active 7/12/10	+-	╀	+	+	7,376.00
Chase Po Box 15298 Wilmington, DE 19850		w	Credit Card					4.912 00
Account No. 540168301961	╅	\vdash	Opened 3/23/06 Last Active 7/12/10	+	+	+	+	4,312 00
Chase Po Box 15298 Wilmlngton, DE 19856		н	Credit Card					194 4 an
Account No. 5175894	╅	\vdash	Opened 5/20/10	+	+	+	+	3,331.00
Collection Consultants 6100 San Fernando Rd Ste Glendale, CA 91201		С	Collection Little Com Of Mary-Torrance	The state of the s	The state of the s			047.00
Account No.	+	-	2013	+	╀	+	+	817.00
Larry Fordiani c/o Dennis P. Block & Assoc 5437 Laurel Canyon Blvd 2nd Fl Valley Villags, CA 91607		c	Past due rent		-			12.270.00
Sheet nn. 2 of 5 sheets attached to Schedule o	1	L		Sub	in.		+	12,270,00
Creditors Holding Unsecured Nonpriority Claims	•		Clotal et					28,706.00

Case 2:13-bk-26725-BB Doc 1 Filed 06/27/13 Entered 06/27/13 23:45:30 Desc Main Document Page 25 of 60

\$6F (Official Form 5F) (1207) - Cont.

Sean David Morton,

Melessa Ann Thomson

Case No.____

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS (Continuation States)

	Te	14	stant, Willia Joint or Conscruyery	1	Tir	10	
CREDITOR'S NAME. MABLING ADDRESS INCLUDING ALD PCODE, AND ACCOUNT NUMBER (See instructions above)	COCKBTOR	H W J	The state of the s	CORPUZOUNT	# L-00-0	D S D E D	AMOUNT OF CLAIM
Account No. 1017577555	Γ	Γ	Opened 5/09/09 Last Active 11/11/10 Automobile	7	E		
Mb Fin Sycs 36455 Corporate Dr Farmington Hills, Mil 48331		w					14,116.35
Account No. 5178052548241905	1	-	Opened 16/23/12	-	⊢	H	
Portfolio Recvry&Afffi 120 Corporate Blvd Ste 1 Norfolk, VA 23502	-	н	Factoring Company Account Capital One Bank Usa N.A.				1,232.00
Account No. 7061592000902954	╁	\vdash	Opened 2/29/12	├-	╁	⊢	.,
Portfolio Recvry&Affil 120 Corporate Blvd Ste 1 Norfolk, VA 23502		W	Factoring Company Account Ge Capital Retail Bank		-		
Account No.	╀	\vdash	Unknown	L	╀-	╀	884.00
Quest Diagnostics Americam Medical Collection 4 Westchester Plaza Ste 110 Ekneford, NY 10523		С	Claim				1,700.00
Account No. 8977193	╀	┝	Opened 12/30/91 Last Active 5/08/98	┡	╀	╀	1,750.50
Rc Willey Home Furn 2301 S 300 W Salt Lake City, UT 84115		С	Charge Account				3,265.00
Sheet no. 3 of 6 sheets attached to Schedule of			5	ub	Note	al	24 407 05
Creditors Holding Unsecured Nonpriority Claims			(Total of ti	ni5	pa;	ge)	21,197.35

Case 2;13-bk-26725-BB Doc 1 Filed 06/27/13 Entered 06/27/13 23;45:30 Desc Main Document Page 26 of 60

BGF (Official Form 6F) (12/97) - Cent.

In re	Seen David Morton,	Case No
	Melissa Ann Thomson	

Debtors

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

CREDITOR'S NAME,	000	Hu	sband, Willia, Julia, us Community	ļç	ű	T	ol	
MAILING ADDRESS DNCL UDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	DEST OR	H W J C	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	TEMORITARO	10		300760	AMOUNT OF CLAIM
Account No.			2010	Ť	T MD	l	İ	~
Redondo Beach Municipal FIA Card Services 117 W Torrance Blvd Redondo Beach, CA 90277		c	Charge account		Ď			4,241.00
Account No.	H	-	Unknown	╁	\vdash	+	1	7,247.40
RMS Recovery Mgmt The Art Institute of Pittsburg 4200 Cantera Dr Ste 211 Warrenville, E. 60565		С	Claim					
Account No. 662904606	L	L	Opened 2/22/05 Last Active 8/10/10	Ļ	L	+	4	2,625.78
Sheli/Citi Po Box 6497 Sloux Fells, SD 57117		н	Credit Card			-		
Account No.	L	L	Unknown	1	L	1	1	416.00
Spectrum Atheletic Clubs S H Recovery & Assoc 20832 Roscoe Blvd Ste 220A Winnetka, CA 91306		С	Claim					518.57
Account No.	-	H	Unknowa	╁	\vdash	+	+	316.31
Synter Resource Group LLC PO Box 63247 North Charleston, SC 29419-3247		С	Ctalm					
				L	L			62.39
Short no. 4 of 6 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims			(lotal of	Sub			,	7,863.74

B6F (Official Form 6F) (12/97) - Cout.

B6F (Official Form 6F) (12/97) - Cost

In re	Sean David Morton, Melissa Ann Thomson	Case No.	In re	Sean David Morton, Melissa Ann Thomson	Caso No
	Debtors		-		Debtors
	SCHEDULE F - CREDITORS HOLDING UNSEC	CURED NONPRIORITY CLAIMS		SCHEDULE F - CREDITORS HO	LDING UNSECURED NONPRIORITY CLAIMS (Continuation Sheet)

CREDITOR'S NAME.	ç	Hu	sband, Whit, Johr, or Community	Ţç	Ų	0	
	Ť	H & 1 C	IS SUBJECT TO SETOFF, SO STATE.	CONTINUENT	DZ _GD_DAT	SPUTUD	AMOUNT OF CLAIM
Account No. The Home Depot/CBSD United Recovery Systems 5800 North Course Drive Houston, TX 77072		С	2006 Charge account	-	0		703.56
Account No Turbo Tax 2510 Commerce Way Vista, CA 92081		C	2012 Ctaim		-		74.99
Account No. United States District Court Southern District of NY 500 Pearl St. New York, NY 10007		С	Unknown Claim				Uaknown
Account No. United States District Court Eastern District of Washington 920 West Riverside Avenue Indio, CA 92201		c	Unknown Claim				Unknown
Account No. 087798581 Us Dept Of Ed/Gleisi Po Box 7860 Madison, Wt 63707	-	*	Opened 10/03/11 Educational				7,776.00
Sheet no. 5 of 6 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims	ı	۰.	(Total o		bu:	-	8,554.55

CO CO CONO NA LA CO	Tc	Hu	stored Wife: John, or Community	C	U	T	T	
CREDITOR'S NAME, MAILING ADDRESS INCLUPING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	Ť	14 10	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	0.67	UNLIGOTEAT	1000		AMOUNT OF CLAIN
Account No.	1	l	Unknown	- '	1	1	1	
US District Court of Vermont 11 Elmwood Ave Room 506 Burlington, VT 05401		c	Claim					Unknow
Account No.	+	┞		\dashv	+	+	十	
					-			
Account No.	\dagger	+		\dashv	+	+	+	
Account No.	1	T			1	1	1	
		The state of the s						
Account No.	\dagger	t		-	1	1	+	
Short no. 6 of 6 sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims	nt.		(Tota		uhu is p		i	0.0
			(Report on Summers	of Sci		ota ulc		121,944.5

has Care Beniruptoy

Subvare Copyright (c): 1995-2013 CCH INCORPLISATED - evvis bestraren Fren

Best Case Burks play

EXHIBIT 2

Case 1:10-cv-01720-KBF Document 152 Filed 03/07/13 Page 1 of 4

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

¥.

Plaintiff,

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC!*:
LINTE HEED: MAR 0 7 2013

(A) T 10 Civ. 1720 (LACK-MHD)

SEAN DAVID MORTON, VAJRA PRODUCTIONS, LLC, 27 INVESTMENTS, LLC, and MAGIC RIGHT BALL DISTRIBUTING, INC.

Defendants,

MELISSA MORTON, and PROPHECY RESEARCH INSTITUTE,

Relief Defendants.

PROPOSED AMENDED FINAL JUDGMENT BY DEFAULT AGAINST RELIEF DEFENDANT MELISSA MORTON

Plaintiff United States Securities and Exchange Commission ("Commission"), having commenced this action on March 4, 2010, by filing its Complaint ("Complaint") for injunctive, other equitable relief, disgorgement, and civil money penalties, charging defendants Sean David Morton ("Morton"), and Vajra Productions, LLC ("Vajra"), 27 Investments, LLC ("27 Investments"), and Magic Eight Ball Distributing, Inc. ("Magic Eight Ball") (together, the "Entity Defendants," and Morton and the Defendants, together, the "Defendants") with violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a) and 77e(c) and 77q(a), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §78j(b), and Rule 10b-5, and 17 C.F.R. § 240.10b-5 promulgated

Case 1:10-cv-01720-KBF Document 152 Filed 03/07/13 Page 2 of 4

thereunder, and for disgorgement of all investor funds unlawfully diverted to relief defendants Melissa Morton and Prophecy Research Institute ("PRI") (together, the "Relief Defendants") (the Defendants and Relief Defendants are referred to herein as "All Defendants"); and following the issuance and timely service of a summons and complaint upon Melissa Morton; and the Court Order denying Melissa Morton's various motions to dismiss and motion for summary judgment and granting the Commission's motion for a determination that Melissa Morton was properly served; and the default of Melissa Morton for failure to answer, move, or otherwise respond to the Complaint within the time provided by the Federal Rules of Civil Procedure and this Court; and the Commission having filed a Notice of Motion, pursuant to Fed. R. Civ. P. 55(b) for a final judgment by default against All Defendants, and the Declaration of Bennett Ellenbogen in Support for the Commission's Motion for Default Judgment, dated September 22, 2011, and the Affidavit of Elzbieta Wraga in Support for the Commission's Motion for Default Judgment, dated September 22, 2011; and the Clerk, having entered the Certificate of Default as to All Defendants, including Melissa Morton, entered on August 8, 2011; and the Court having found that it has jurisdiction over Mclissa Morton and over the subject matter and the jurisdiction to grant the relief requested by the Commission, and good cause appearing for the entry of this Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Melissa Morton is jointly and severally liable, along with All Defendants, for disgorgement of \$468,281, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$105,847,23, for a total of \$574,128,23. Melissa

Case 1:10-cv-01720-KBF Document 152 Filed 03/07/13 Page 3 of 4

Morton shall satisfy this obligation by paying \$574,128.23 to the Securities and Exchange Commission within 14 days after entry of this Final Judgment.

Melissa Morton may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at http://www.sec.gov/aboutloffices/ofm.htm. Melissa Morton may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center Accounts Receivable Branch 6500 South MacArthur Boulevard Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the cose title, civil action number, and name of this Court; Melissa Morton as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Melissa Morton shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Melissa Morton relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Melissa Morton. The Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of this Final Judgment. Melissa Morton shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

IJ.

Case 1:10-cv-01720-KBF Document 152 Filed 03/07/13 Page 4 of 4

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Fed.

R. Civ. P. 65(d), this Judgment is binding upon Melissa Morton, and her officers, agents, servants, employees, and attorneys-in-fact, and upon those persons in active concert or participation with them who receive actual notice of this judgment by personal service or otherwise.

ш.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for purposes of enforcing the terms and conditions of this Judgment.

Dated: New York, New York

The Honorable Katherine B. Forrest United States District Judge Case 1:10-cv-01720-KBF Document 156 Filed 03/07/13 Page 1 of 7

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

USDC SDNY

DOCUMENT

DOC#:

ELECTRONICALLY FILED

DATE FILED: MAR 0.7.20

SEAN DAVID MORTON, VAJRA PRODUCTIONS, LLC, 27 INVESTMENTS, LLC, and MAGIC EIGHT BALL DISTRIBUTING, INC.

Defendants.

MELISSA MORTON, and PROPHECY RESEARCH INSTITUTE.

Relief Defendants.

PROPOSED AMENDED FINAL JUDGMENT BY DEFAULT AGAINST DEFENDANT SEAN DAVID MORTON

Plaintiff United States Securities and Exchange Commission ("Commission"), having commenced this action on March 4, 2010, by filling its Complaint ("Complaint") for injunctive, other equitable relief, disgorgement, and civil money penalties, charging defendants Sean David Morton ("Morton"), and Vajra Productions, LLC ("Vajra"), 27 Investments, LLC ("27 Investments"), and Magic Eight Ball Distributing, Inc. ("Magic Eight Ball") (together, the "Entity Defendants," and Morton and the Defendants, together, the "Defendants") with violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a) and 77e(c) and 77q(a), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §78j(b), and Rule 10b-5, and 17 C.F.R. § 240.10b-5 promulgated

Case 1:10-cv-01720-KBF Document 156 Filed 03/07/13 Page 2 of 7

thereunder, and for disgorgement of all investor funds unlawfully diverted to relief defendants. Melissa Morton and Prophecy Research Institute ("PRI") (together, the "Relief Defendants") (the Defendants and Relief Defendants are referred to berein as "All Defendants"); and following the issuance and timely service of a summons and complaint upon Morton; and the Court Order denying Morton's various motions to dismiss and motion for summary judgment and granting the Commission's motion for a determination that Morton was properly served; and the default of Morton for failure to answer, move, or otherwise respond to the Complaint within the time provided by the Federal Rules of Civil Procedure and this Court; and the Commission baving filed a Notice of Motion, pursuant to Fed. R. Civ. P. 55(b) for a final judgment by default against All Defendants, and the Declaration of Bennett Ellenbogen in Support for the Commission's Motion for Default Judgment, dated September 22, 2011; and the Clerk, having entered the Certificate of Default as to All Defendants, including Morton, entered on August 8, 2011; and the Court having found that it has jurisdiction to grant the relief requested by the Commission, and good cause appearing for the entry of this Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Morton and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

Case 1:10-ov-01720-KBF Document 156 Filed 03/07/13 Page 3 of 7

- (a) to employ any device, scheme, or artifice to defraud;
- b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

11.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Morton and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

ш.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Morton and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act[15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

Case 1:10-cv-01720-KBF Document 156 Filed 03/07/13 Page 5 of 7

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Morton is jointly and severally liable, along with each and every of the Entity Defendants, for disgorgement of \$5,181,135.82, representing ill-gotten gains as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$1,171,110.54, for a total of \$6,352,246.36 (the "Disgorgement"). Also, the Defendants and Relief Defendants are each jointly and severally liable for disgorgement of \$468,281, representing that portion of the illgotten gains that were unlawfully diverted to the Relief Defendants by the Defendants, as alleged in the Complaint, together with prejudgment interest thereon in the amount of \$105,847.23, for a total of \$574,128.23 (this subset of the full Disgorgement obligation is referred to herein as the "Subset"). This is a Subset of Morton's and the Entity Defendants' Disgorgement obligation, described above, of \$6,352,246.36. Any payments made by any of the Defendants or Relief Defendants to satisfy the Disgorgement obligation and/or the Subset of the Disgorgement obligation shall be applied to satisfy the joint obligation of the Subset of the Disgorgement obligation.

In addition, Morton shall pay a civil penalty in the amount of \$5,181,135.82, pursuant to Section 20(d) of the Securities Act[15 U.S.C. § 77t(d)], and Section 21 (d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

Morton shall satisfy the Disgorgement and penalty obligations by paying \$11,533,382.18 to the Securities and Exchange Commission within 14 days after entry of this Final Judgment.

Morton may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay gov through the SEC website at

Case 1:10-cv-01720-KBF Document 156 Filed 03/07/13 Page 6 of 7

http://www.sec.gov/aboutloffices/ofin.htm. Morton may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center Accounts Receivable Branch 6300 South MacArthur Boulevard Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Morton as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Morton shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Morton relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Morton. The Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of this Final Judgment. Morton shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

٧.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Fed.

R. Civ. P. 65(d), this Judgment is binding upon Morton, and his officers, agents, servants,
employees, and attorneys-in-fact, and upon those persons in active concert or participation with
them who receive actual notice of this judgment by personal service or otherwise.

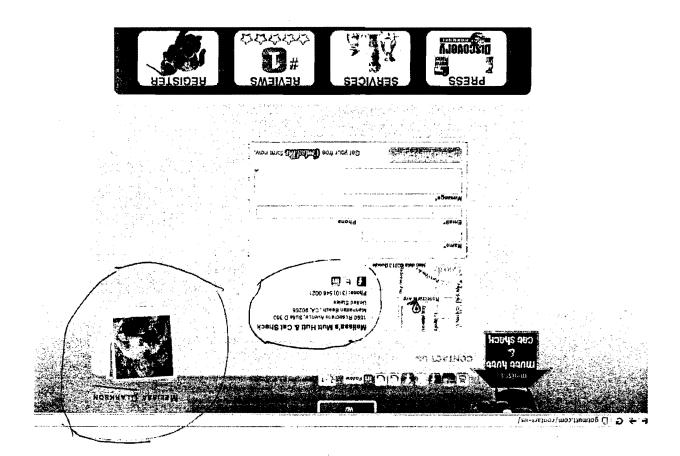
Case 1:10-cv-01720-KBF Document 156 Filed 03/07/13 Page 7 of 7

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for purposes of enforcing the terms and conditions of this Judgment.

Dated: New York, New York 3 7 , 2013

The Honorable Katherine B. Forrest United States District Judge



XHIBIT 3

EXHIBIT 4

UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA

Filer's Name:		. Varley		Atty f	lame (if a	pplicable):	Joh	in A. Varley
Charle Address	#330		Rio South	CAR	arkin iifa	an alimahta)		PA4
Street Address:	San Di	ego, CA 92	108	CA B	erno. (11 a	applicable)	262	584
Filer's Telephone No.:	619-46	3-1800	,	Atty I	ax No. (if	applicable): 619	-463-1881
	n David M sa Ann Th			Case Chap	No. 2:13-1 ter 7	ok-26725		
A filing fee of \$30.00 is also required as an added? Yes	required ttachme	i to ameno		of Sched	oles "D" th	rough "F."	An adde	
Indicate below which s	chedule(s) and/or:	statement(s	s) is(are)	being ame	ended.		
A□ B⊠	с□	D	E	F	в□	н□	10	1
Statement of So	cial Secu	irity Numb	er(s)		State	ment of Fir	nancial Al	fairs 🛛
Statement of Inte	ention 🗌	1			Other			
NOTE: IT IS THE RES TRUSTEE AND TO NO COMPLETE AND FILE	OTICE A	LL CREDI	TORS LIST	TED IN T	HE AMEN	DED SCH	EDULE(8	B) AND TO
I/We, Sean David Morto Schedule(s) and/or Sta correct.								
DATED: October 15	, 2013					"FOR CO	URT US	E ONLY"
Ist Sean David Morton Sean David Morton Debtor Signature	***************************************					٠		
/s/ Melissa Ann Thoms					1			
Melissa Ann Thomson Co-Debtor Signature					1		•	
Contrasta organiare			**SEE RE	VERSE :	SIDE"			
							·	
B-1008 Revised Nove	mper 20	11						

PROOF OF SERVICE

I hereby certify that a copy of the Amendment(s)	was(were) mailed to the	Trustee and that i	notice was given
to the additional creditors listed.			

(SEE ATTACHED MAILING LIST.)

Case 2:13-bk-26725-BB	Doc 36	Filed 10/19	5/13	Entered 10/15/13 11:26:27	Des
icial Form 6P) (17404)	Main D	ocument	Page	3 of 14	

BOB (Official Form 6E) (1201)
Sean David Monton
In re Melissa Ann Thomson

Case No. 2:13-bk-26725

Debtor(s)

AMENDED SCHEDULE B - PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the cottegories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet property identified with the case name, case number, and the number of the category. If the debtor is married, state whether the hasband, wife, both, or the marrial pownuming own the property by placing an "H." "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."
If the debtor is an individual or a joint polition is filed, state the amount of any exemptions claimed only in Schedule C - Property Chaimed as

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parcet or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's reme. Sec. 11 U.S.C. \$112 and Fed R. Banke. P. 1007(m).

Type of Property	N O N E	Description and Location of Property	Hushand, Wife, Joint or Community	Current Value of Debtor's Interest to Property, With Out Deducting Any Secured Claim or Exemption
I. Cash on hand.		Cash, leas then	-	\$5,000.00
 Checking, savings or other financial accounts, certificates of deposit or shares in bents, savings and loan, thrift, building and loan, and homestead associations, or credit unious, brokerage houses, or cooperatives. 		Debtors do not have a bank account.	-	\$0.00
Security deposits with public utilities, telephone companies, landlords, and others.	X			
 Household goods and furnishings, including audio, video, and computer equipment. 		Miscellaneous household furnishings, electronics, etc. No individual Item is worth \$500.00 or more.	•	\$1,000.00
5. Books; pictures and other art objects; antiques; stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.		Personal clothing.	•	\$500.00
7. Furs and jeweiry.	X			
8. Firearms and sports, photographic, and other hobby equipment.		Debtor has a collection of comic books.	C	\$1,000.00
 Interests in insurance policies, Name insurance company of each policy and itemize surrender or refund value of each. 	x			
10. Amnities Itemize and name each issuer.	X			

я	6B (Offi	Case 2:13-bk-26725-	BB	Doc 36 Filed 10/15/13 Entered 10/15/13 Main Document Page 4 of 14	11:26:2	7 Desc	B 68 (Offi	Case 2:13-bk-26725-l	3B Doc 36 Filed 10/15/13 Entered 10/15/13 Main Document Page 5 of 14	11:26:27	Desc
	n re	Sean David Morton Melissa Ann Thomson		Case No. 2			in re	Sean David Morton Melissa Ann Thomson	Case No. 2	2:13-bk-2671	
		Debter	SCI	HEDULE B - PERSONAL PROPERTY (Continuation Sheet)	(1	lf known)		Debtur	SCHEDULE B - PERSONAL PROPERTY (Continuation Sheet)	(I	f known)
_		Type of Property	N O N E	Description and Location of Property	Hunberd, Wife, Joint or Community	Current Value of Debtor's Interest In Property, With- Out Deducting Any Secured Claim or Exemption	a geography and	Type of Property	· ·	Husband, Wife, Joint or Community	Current Value of Debtar's Interest In Property, With- Out Deducting Any Secured Claim or Exemption
	lefined inder a lefined surficial secord(I in 26 U.S.C. § 530(b)(1) or a qualified State trition plan as I in 26 U.S.C. § 529(b)(1). Give- bers, (Pite separately the s) of any such interest(s), 11	x				claims retunds and rig	er contingent and unliquidated of every nature, including tax s, counterclaims of the debtor, has to setoff cluims. Give and value of each.	Larry Fordiani owes the debtors for property improvements done by Pezzuto Const.	*	\$24,484.00
1	12. Into	§ 521(e).) crests in IRA, ERISA, Kongh, or cusion or profit sharing plans.	x				27 . 12		Zinalda Koff-Gabay owes the debtors for a contract related to paperwork.	c c	\$20,273.00
ADDE	iive pa E O soo	articulars. ck and interests in incorporated incorporated businesses.	He	aven & Earth LLC (No market value to these shares)	С	\$0.00		ents, copyrights, and other tual property. Give particulars.	Debtor is the author of 3 published hooks, Black Seraph, The Dark Prophet and Sands of Time self published in 2005, 2008, and 2011. Revenue generated in 2012 was less than \$5,000.	C.	\$5,000.00
1	temin	ė.							2013 revenues have fallen substantially from 2012.		
		erests in partnerships or joint es, Itemize.	x						Estimated cash flow of \$2,000 per year. Net PV estimmated at		
		vernment and corporate bonds her negotiable and nonnegotiable nems.						enses, franchises, and other lintangibles, Give particulars.	x		
1	16. Ace	counts receivable.	x				conspil	ations containing personally	x		*
	and pro debtor particu	operty settlements to which the is or may be critified. Give dars.	x				14 U.S debtor with of from the	table information (us defined in C. § 161(11A)) provided to the by individuals in connection potaining a product or service to debtor primarily for personal, or household purposes.			
		ner liquidated debts owed to including tax refunds. Give dars.	- it	int debtor filed 2012 taxes and did not receive a refund was taken by the IRS for back taxes owed. Debtor has t had a tax filing requirement since 2008.		\$4,500,900.00	25. Au	tomobiles, trucks, trailers, and chicles and accessories.	2006 Ford Escape Average condition 105,000 miles	-	\$5,070.00
		4	Th	btors are owed refunds for previous tax year filings. In entire amount owed to the debtors is over four filion dollars.					To be retained. Unencumbered.		
	estates, exercis	uitable or future interests, life, , and rights or powers sable for the benefit of the debtor han those listed in Schedule A.							1975 Fiat Spyder Rough condition 250,000 miles	•	\$3,995.00
ı	Keal Pr	roperty. intingent and noncontingent	x						To be retained. Unencumbered.		
	interes	is to estate of a decedent, death I plan, life iostnance policy, or						,	x x		
ę	chuare (Casyngha (es 1996-2013 OCH SHOCHENDRA)	(EO - www	nerstable detti		Dest Case Sankruptcy	Software	Copyright (+) 1987-2183 GCP (NCOHEORATE	:O - www basicase com		Best Clark Rosmiphy

Case 2:13-bk-26725-BB Doc 36 Filed 10/15/13 Entered 10/15/13 11:26:27 Desc B 69 (015-ad Form 60) (1297)-Cont. Page 6 of 14

D OD (On Part of Bros) (1201) - Call

In re Sean David Morton Melissa Ann Thomson

Debtor

Case No. 2:13-bk-25725

(If known)

SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	н О И	Description and Location of Property	Hatheorl, Wife, Joint or Community	Current Value of Debtor's Inferest In Property, With- Out Deducting Any Secured Claim or Exemption
28. Office equipment, furnishings, and supplies.	X			
29. Machinery, fixtures, equipment, and supplies used in business.	x .			
30. Inventory.	x			
31. Animals.	x			
32. Crops - growing or harvested, Give particulars.	x			
33. Farming equipment and implements:	x			
31. Form supplies, chemicals, and feed.	x			
35. Other personal property of any kind not already listed, Itemize.	x			

Tetal > \$4,586,322.00

(Report also on Summary of Schedules)

Case 2:13-bk-26725-BB Doc 36 Filed 10/15/13 Entered 10/15/13 11:26:27 Desc Main Document Page 7 of 14

B7 (Official Form 1) (04/13)

United States Bankruptcy Court

		Central District of California	• .	
In re	Sean David Morton Melissa Ann Thomson		Case No.	2:13-bk-26725
	THE COURT PARTY PROPERTY.	Debtor(s)	Chapter	7
	AME	INDED STATEMENT OF FINANC	ial affairs	
not a job propriete activities name an	uses is combined. If the case is fill at petition is filed, unless the spou or, partner, family farmer, or self- as well as the individual's person	d by every debtor. Spouses filing a joint position me ed under clusper 12 or chapter 13, a married debtor ses are separated and a joint petition is not filed. A employed professional, should provide the informat all affairs. To indicate payments, transfers and the quardian, such as "A.B., a minor child, by John Doc	rmust furnish inform n individual debtor er tion requested on this like to minor children	ation for both spouses whether or agaged in business as a sole statement concerning all such a, state the child's initials and the
	is 19 - 25. If the answer to an ap	eted by all debtors. Debtors that are or have been in plicable question in "None," mark the box labels sheet properly identified with the case name, case of	ed "None." If addition	nal space is needed for the answer
,		DEFINITIONS		
the follo other tha husiness from the	for the purpose of this form if the wing: an officer, director, managi an a limited partner, of a partnersh for the purpose of this form if the debtor's primary employment. "Insider." The term "insider" in- ious of which the debtor is an offi-	siness' for the purpose of this form if the debut is to the better is to the been, within six years immediate my executive, or owner of 5 percent or more of the in; a sole proprietor or self-employed full-time or predefor engages in a trade, business, or other activities on the interest in the debtor engages in a trade, business, or other activities of the debtor, our, director, or person in control; officers, director insiders of such affiliates; and any managing agent are operation of business.	ly preeding the filin voting or equity seeu sart-time. An individu- ity, other than as an general partners of th s, and any persons in	g of this bunkruptcy case, any of rides of a corporation; a partner, tal debtor also may be "in employee, to supplement income e debtor and their relatives; control of a corporate debtor and
Ni ste	State the gross amount of ince business, including part-time year to the date this case was calendar year. (A debtor that a report fiscal year income, Idee ands spoure separately. (Marr	ome the debute has received from employment, trad- activities either as an employee or in independent to commenced. State also the gross amounts received minitains, or has maintained, financial records on it stiffy the beginning and ending dates of the debtes's ied debtors filing under chapter 12 or chapter 13 m uses are separated and a joint petition is not filed.) SOURCE.	rade or business, from during the two years he besis of a fiscal ra- fiscal year.) If a join ust state income of b	a the beginning of this calendar immediately preceding this ther than a calendar year may t petition is filed, state income for
	\$5,000.00	2012: Wife Self-amployed		
	\$2,696.75	2011: Wife Self-employed		
	2. Income other than from e	mployment or operation of business		
None M	during the two years immediately for each spouse separately. (N	ceived by the debtor other than from employment, utely preceding the commencement of this case. Of farried debtors filing under chapter 12 or chapter 1, he shouses are separated and a joint rectifion is not f	ve particulars. If a joi 3 must state income t	nt petition is filed, state income

SOURCE

AMOUNT

Case 2:13-bk-26725-BB Doc 36 Filed 10/15/13 Entered 10/15/13 11:26:27 Desc Main Document Page 8 of 14

B7 (Official Form 7) (04/13)

3. Payments to creditors

Complete a. or b., as appropriate, and c.

Individual or joint debtor(s) with primarily consumer debts: List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within 90 days immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an asterisk (*) any payments that were made to a credius on account of a domestic support obligation or as part of an atternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR

DATES OF PAYMENTS

AMOUNT PAID

AMOUNT STILL OWING

b. Deliter whose debts are not primarily consumer debts: List each payment or other transfer to any creditor made within 90 days immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$6,225". If the debtor is an individual, indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and credit counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

> DATES OF PAYMENTS/ TRANSFERS

AMOUNT PAID OR VALUE OF TRANSFERS

AMOUNT STILL OWING

NAME AND ADDRESS OF CREDITOR

c. All debtors: List all payments made within one year immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filling under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR

DATE OF PAYMENT

AMOUNT PAID

AMOUNT STILL OWING

4. Suits and administrative proceedings, executions, garnishments and attachments

a. List all suits and administrative proceedings to which the debtor is or was a party within one year immediately preceding the filling of this bankruptcy case. (Married debtors filling under chapter 12 or chapter 13 must include information concerning either or both sponses ADDED whether or not a joint petition is filled, unless the spouses are separated and a joint petition is not filled.)

CAPTION OF SUIT AND CASE NUMBER Larry Fordiani v Sean David Morton; Melissa Morton	NATURE OF PROCEEDING Civil	COURT OR AGENCY AND I OCATION Superior Court of California, County of Los Angelee Long Beach Courthouse 415 West Ocean Blvd Long Beach, CA 90802	STATUS OR DISPOSITION Pending
SEC vs. Morton 10-CIV-1720	Civil	United States District Court Southern District of NY 500 Pearl St. New York, NY 10007	Default Judgment
Christopher Base v. Sean Morton and Meliasa Thomson CV-08-253-EFS	Civil	US District Court Esstern District of Washington 920 West Riverside Ave Spokane WA 99201	Judgment for Plaintiff, Settled with a bond
Tim Saunders vs. Seen Morton and Mestissa Thomson 5:09-vc-00125	civil	US District Court of Vermont 11 Elmwood Ave, Room 506 Burlington VT 05401	Default Judgment for Plaintiff

Amount subject to adjustment on 4/01/16, and every three years thereafter with respect to cases commenced on or after the dute of adjustment.

Case 2:13-bk-26/25-BB | Doc 36 | Fried 10/15/13 | Entered 10/15/13 | 11:20:27 | Desc Main Document Page 9 of 14

B7 (Official Form 7) (04/13)

b. Describe all property that has been ettached, garnished or soized under any legal or equitable process within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not

NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED

DATE OF SEIZURE

DESCRIPTION AND VALUE OF PROPERTY

5. Repossessions, foreclosures and returns

List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the sellor, within one year immediately preceding the commencement of this case. (Married debtors filling under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DATE OF REPOSSESSION. FORECLOSURE SALE,

DESCRIPTION AND VALUE OF

TRANSFER OR RETURN

PROPERTY

6. Assignments and receiverships

a. Describe any assignment of property for the benefit of creditors made within 120 days immediately preceding the cummencement of this case. (Married debtors filling under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE

DATE OF ASSIGNMENT

TERMS OF ASSIGNMENT OR SETTLEMENT

NAME AND ADDRESS OF

CREDITOR OR SELLER

b. List all property which has been in the hunds of a custodian, receiver, or court-appointed official within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spauses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not

NAME AND ADDRESS OF CUSTODIAN

NAME AND LOCATION CASE TITLE & NUMBER

OF COURT

DATE OF ORDER

DESCRIPTION AND VALUE OF

PROPERTY

7. Gifre

List all gifts or charitable contributions made within one year immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION RELATIONSHIP TO

DEBTOR, IF ANY

DATE OF GIFT

DESCRIPTION AND

VALUE OF GIFT

List all losses from fire, theft, other casualty or pambling within one year immediately preceding the commencement of this case or since the commencement of this case. (Married debtors filling under chapter 12 or chapter 13 must include losses by either or bodispouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY 17 inch laptop computer

DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART

BY INSURANCE, GIVE PARTICULARS

DATE OF LOSS Debtor was at an expo in San Francisco when his April 2012

laptop was stolen from a friend's car. The car's window was smashed in and the theft was not

covered by any insurance policy.

Software Conyright (c) 1996-2013 CCH INCORPORATED - www.beymben.com

Book Casa Sertments

Main Document Page 10 of 14

B7 (Official Form 7) (04/13)

9. Payments related to debt counseling or bankruptcy

List all payments made or property transferred by or on bahalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of the petition in bankruptcy within one year immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE

DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR

AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY Attorney's Fees: \$1,300.00

Court Filing Fees: \$306.00

Financial Law Associates, APC 7373 University Avenue, Suite 113 La Mosa, CA 91942-0523

10. Other transfers

a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within two years immediately preceding the commencement of this case. (Married deburs filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spotuses are sensouted and a joint netition is not filed.)

NAME AND ADDRESS OF TRANSFEREF. RELATIONSHIP TO DEBTOR

DESCRIBE PROPERTY TRANSFERRED

AND VALUE RECEIVED

b. List all property transferred by the debtor within ten years immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER

DATE(S) OF DEVICE

AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST

TRANSFER(\$) IN PROPERTY

11. Closed financial accounts

List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within one year immediately preceding the commencement of this case, include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds. cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filling under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not flied.)

TYPE OF ACCOUNT, LAST FOUR

AMOUNT AND DATE OF SALE

NAME AND ADDRESS OF INSTITUTION

DIGITS OF ACCOUNT NUMBER. AND AMOUNT OF FINAL BALANCE

OR CLOSING

12. Safe deposit boxes

List each safe deposit or other box or depository in which the dehtor has or had securities, each, or other valuables within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include hoxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY

NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY

DESCRIPTION OF CONTENTS DATE OF TRANSFER OR SURRENDER, IF ANY

13. Setoffs

List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within 90 days preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR

DATE OF SCTOFF

AMOUNT OF SETOFF

Case 2:13-bk-26725-BB Doc 36 Filled 10/15/13 Emered 10/15/13 11:25:27 Desc Main Document Page 11 of 14

B7 (Official Form 7) (94/13)

14. Property held for another person

List all property owned by another person that the debter holds or controls

NAME AND ADDRESS OF OWNER.

DESCRIPTION AND VALUE OF PROPERTY LOCATION OF PROPERTY

15. Prior address of deleter

If the debtor has moved within three years immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either snouse.

ADDRESS

NAME USED

DATES OF OCCUPANCY

16. Spouses and Former Spouses

If the debter resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin] within eight years immediately preceding the commencement of the case, identify the name of the debtur's spouse and of any former spouse who resides or resided with the debtur in the community property state.

NAME

17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Freeironmental Law" means any federal, state, or local statute or regulation regulating politition, contamination, releases of bazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

Hazardous Material means anything defined us a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

a. I.ixi the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME AND ADDRESS

NAME AND ADDRESS OF GOVERNMENTAL UNIT

DATE OF NOTICE

ENVIRONMENTAL.

b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous

Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

HAME AND ADDRESS OF

DATE OF

ENVIRONMENTAL

SITE NAME AND ADDRESS

GOVERNMENTAL UNIT

c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF GOVERNMENTAL UNIT

DOCKET NUMBER

STATUS OR DISPOSITION

Doc 36 Filed 10/15/13 Entered 10/15/13 11:26:27 Desc Case 2:13-bk-26725-BB Main Document Page 12 of 14

B7 (Official Form 7) (04/13)

18 . Vature, location and name of basiness

2. If the debtor is an individual, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and a. If the calling dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a civiling dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a coming uses of an emphasize in which the cooling was in other, an other activity either full- or part-time within six years partnership, sele proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within six years partnership, who proportion of the something of the country for in which the debter owned 5 percent or more of the voting or equity immediately preceding the commencement of this case, or in which the debter owned 5 percent or more of the voting or equity securities within six years insuediately preceding the commencement of this case.

If the debtor is a partnership, ilst the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and or interest of all businesses in which the debtor was a partner or owned 5 percept or more of the voting or equity securities, within six years immediately preceding the commencement of this case.

If the debter is a corporation, list the names, addresses, teapsycr identification numbers, nature of the businesses, and beginning and If the neutre is the oppositions in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within six ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within six years immediately preceding the commencement of this case,

ADDED NAME

LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-ID NO.

Unknown

(ITINY COMPLETE EIN

ADDRESS Property Mgmt. 2207 Hermosa Av Hermosa Beach, CA 90254

ENDING DATES NATURE OF BUSINESS 1999-2008

PRI-Prophecy Research institute Trust Heaven and Earth 1 Independent

2207 Hermosa Ave Hermosa Beach, CA 90254

Property mgmt.

06/28/2007_nessent

BEGINNING AND

LLC

b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME

ADDRESS

The following questions are to be completed by overy debtar that is a corporation or partnership and by any individual debtor who is or has The following questions are to be completed by overy derivations of this case, any of the following: an officer, director, managing executive, or been, within six years immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or been those those throughout the properties of a comparation a partner, rather than a limited extension of the unique or acquires of a comparation a partner, rather than a limited extension. been, within six years miniculately preceding the confirmencement of this case, any or are community, at unless, affection, managing executive, of owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a pertnership, a sole owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a pertnership, a sole owner of more than 5 percent or the voting or equity securities. overest or an end of the round of the country securities of a corporation; a particle, on proprietor, or self-employed in a trade, profession, or other activity, either fulls or part-time.

(An individual or joint debtor should complete thus portion of the statement only if the debtor is or has been in hunturess as defined above. (An insurance of jump active surmer confined into your only of this case. A debine who has test been in business within those six years should go within its years immediately proceding the commencement of this case. A debine who has test been in business within those six years should go directly to the signature page)

19. Books, records and financial statements

a. List all bookkeepers and accountants who within two years immediately preceding the filling of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

DATES SERVICES RENDERED

NAME AND ADDRESS

b. List all firms or individuals who within the two years immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debut.

M NAME

DATES SERVICES RENDERED

図

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was NAME issued by the debter within two years immediately preceding the commencement of this case

Case 2:13-bk-26725-BB | Doc 36 | Filed 10/15/13 | Entered 10/15/13 | 11:26:27 | Desc Main Document Page 13 of 14

BT (Official Form 7) (01/13)

NAME AND ADDRESS

DATE ISSUED

20. Inventories

a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory. and the thilar amount and basis of each inventory.

DATE OF INVENTORY

INVENTORY SUPERVISOR

DOLLAR AMOUNT OF INVENTORY (Specify cost, market or other basis)

b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

DATE OF INVENTORY

NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY

RECORDS

21 . Current Partners, Officers, Directors and Shareholders

a. If the definor is a partnership, list the nature and percentage of partnership interest of each member of the partnership

NAME AND ADDRESS

NATURE OF INTEREST

PERCENTAGE OF INTEREST

b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly in indirectly owns. controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS

TITLE

NATURE AND PERCENTAGE OF STOCK OWNERSHIP

22 . Former partners, officers, directors and shareholders

Ø

a. If the debtor is a partnership, list each member who withdress from the partner-disp within new year immediately preceding the commencement of this case.

NAME

ADORESS

DATE OF WITHDRAWAL

b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within one year immediately preceding the commencement of this case.

NAME AND ADDRESS

DATE OF TERMINATION

23. Withdrawals from a partnership or distributions by a corporation

If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, homeses, loans, stock redemptions, options exercised and any other perquisite during one year immediately preceding the commencement of this case

NAME & ADDRESS

OF RECIPIENT. RELATIONSHIP TO DEBTOR DATE AND PURPOSE OF WITHDRAWAL

AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY

24, Tax Consolidation Group.

iff the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within six years immediately preceding the commencement

NAME OF PARENT CORPORATION

TAXPAYER IDENTIFICATION NUMBER (ELN)

3-Breeto Copyright (c) 1995-2013 CCH INCORPORATED - www.bestcase com

Bent Case Banks, page

Software Copyright (a) 1906-2013 ECH INCORPORATED - www.bombase.com

Liet Case Parkraper

Case 2:13-0K-20/25-66	U00 30	Filed Lui	TOLTO	cinereu .	TOTAL STICTION	Desc
	Main Do	ocument	Page	14 of 14		

B7 (Official Form 7) (04/13)

25. Pension Funds.

Nume lifth

if the debtor is not an individual, that the name and federal taxpayer-identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within six years immediately preceding the commencement of the case.

NAME OF PENSION FUND

TAXPAYER IDENTIFICATION NUMBER (EIN)

DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct.

Date October 15, 2013 Signature | Iel Sean David Morton | Sean David Morton | Debtor |

Date October 15, 2013 Signature | Iel Sean David Morton | Debtor |

Date October 15, 2013 Signature | Iel Melissa Ann Thomson | Melissa Ann Thomson | Joint Debtor |

Melissa Ann Thomson | Debtor
Penalty for making a fulse statement: Fine of up to \$500,000 or imprisonment for up to 3 years, or both, 18 U.S.C. \$\frac{1}{2}\$ 152 and 3371

Case 1:10-cv-01720-KBF Document 170 Filed 10/23/13 Page 28 of 28